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RUEHKU/AMEMBASSY KUWAIT 0899
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RUEHTV/AMEMBASSY TEL AVIV 1218
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STATE FOR EEB AND NEA/ELA

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SUBJECT: Fourth Consecutive Increase In Jordan's Fuel Prices Since Liberalization

REFS: A) Amman 785
B) Amman 628

¶1. The Government of Jordan (GOJ) announced on June 9 new prices of petroleum products, which rose by four to 13.5% over last month depending on the product. This represents the fourth increase since the GOJ liberalized fuel prices in February 2008. An interagency committee determines prices based on average international market prices during the preceding 30 days and other costs, such as freight and handling (reftels). The GOJ has decided to maintain for an indefinite period the subsidized price of liquefied petroleum gas (LPG). The LPG subsidy has now cost the GOJ JD 85 million (USD 120 million) in 2008, and the Finance Ministry is preparing a supplemental request to address budget shortfalls (septel). The GOJ had planned to lift the LPG subsidy in April, following an unseasonably cold winter, but opted to offset price increases in fuel and basic commodities by maintaining the subsidy.

¶2. Current retail prices of petroleum products in Jordan follow:

Item	New Price (as of June 9, 2008)
Premium gasoline, Unleaded (95 Octane)	805 fils/liter (\$4.30/gallon)
Regular gasoline, Unleaded (90 Octane)	705 fils/liter (\$3.77/gallon)
Kerosene	705 fils/liter (\$3.77/gallon)
Diesel	705 fils/liter (\$3.77/gallon)
Heavy fuel oil (industry)	425 JD/ton (\$600.28/ton)
Fuel oil for electricity	425 JD/ton (\$600.28/ton)
Fuel oil for ships	450 JD/ton (\$635.60/ton)
Jet fuel-local companies	765 fils/liter (\$4.09/gallon)
Jet fuel-foreign companies	770 fils/liter (\$4.12/gallon)
Jet fuel-charter flights	785 fils/liter (\$4.20/gallon)
Asphalt	476.7 JD/ton (\$673.31/ton)

LPG (12.5 Kg)

6.5 JD/cylinder
(\$9.18/cylinder)

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